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**Statement of Ambassador Charlene Barshefsky Regarding Broad Market Access Gains Resulting
from China WTO Negotiations**

United States Trade Representative Charlene Barshefsky announced today that U.S. and Chinese negotiators have secured broad progress toward an expansive market access agreement with China. Additionally, while certain issues remain to be resolved, China has made commitments to adopt rules enforceable in the World Trade Organization (WTO) related to such issues as technology transfer and offsets, subsidies, product safeguards and state enterprises. In addition, China agreed that the U.S. can continue to apply its special antidumping rules to China. Finally, China has agreed immediately to an SPS package that will immediately end its ban of Pacific northwest wheat, U.S. meat and citrus.

Ambassador Barshefsky outlined the importance of progress achieved to date as follows:

“President Clinton and Premier Zhu referred to the complexity of WTO accession negotiations which include far-reaching market access commitments as well as commitments to important rules of commerce. Indeed, the scope of issues involved in these negotiations is unparalleled outside of a multilateral Round. There are more than 5,000 tariff line items and complex interlocking issues from national treatment to distribution rights which we have addressed here to ensure fair treatment and enforceable rights for U.S. goods, services, and agricultural providers. The Leaders noted that we have reached agreement concerning market access for agricultural and industrial goods as well as a wide range of services sectors, but that certain differences remain to be resolved in banking, including auto finance, securities, and audio-visual services.

“We also resolved bilateral issues to ensure U.S. access to the Chinese market for U.S. citrus, meat products, and Pacific Northwest wheat. This is an important and immediate area of progress for our agricultural industries, which we hope will lead to beneficial results in other areas.

“The President and the Premier also referenced agreement on a variety of important rules, including trading rights, technology transfer and offsets, treatment of state enterprises, and subsidies. Both Leaders acknowledged that certain differences remain to be resolved on a mechanism on

implementation, the duration of provisions governing dumping and product safeguards, and rules governing textiles trade. We will now focus on resolving remaining issues as soon as possible in support of our common goal of admitting the People's Republic of China to the World Trade Organization on strong commercial terms by the year 2000.

“The market access commitments we are locking-in today include China's full participation in the three global agreements negotiated in the WTO since the Uruguay Round: the Information Technology Agreement (ITA) – where China has committed to eliminate tariffs across the vast range of covered technology products in a three-year timetable; the Basic Telecommunications Services Agreement and the Financial Services Agreement. In addition, China has agreed to participate in the “APEC Sectoral Liberalization Initiative” which is now before the WTO and covers \$1.5 trillion in traded goods.

“While much hard work remains to complete China's accession to the WTO, including addressing specific areas which we believe are critical to U.S. interests, these market access terms reflect the Administration's commitment to a comprehensive, far-reaching commercially-meaningful agreement.

“This agreement is commercially-meaningful in four different ways:

- “First, it is comprehensive. It covers agriculture, industrial goods and services. It covers unfair trade practices including tariffs, quotas, other non-tariff measures, non-scientific agricultural standards, discriminatory regulatory processes, lack of transparency, export subsidies and other barriers to trade. It will address the tariffs and other barriers China applies at the border; the limits China places on sales, customer service and maintenance within the domestic market; China's unwarranted sanitary and phytosanitary standards; and limits on the rights of service providers to set up businesses in China.
- “Second, it grants no special favors. It requires China to reduce its trade barriers to levels comparable to those of major trade partners, including industrial countries. For example, Chinese tariffs will fall to an average of 7.1% in our priority areas – well below the rates most developing countries apply and comparable to those of major industrial trade partners.
- “Third, it is enforceable. The commitments China has made in all areas are specific, measurable, and will be fully enforceable.
- “Fourth, it delivers market-based reforms fast. Immediately upon accession, China will make substantial cuts in agricultural and industrial tariffs; begin opening sectors from insurance to telecommunications to professional services to foreign service providers. The phase-in of further broad concessions in all these areas will be limited to five years in the vast majority of cases and in many cases between one and three years.

“If followed by good-faith work by China on the Protocol, textiles trade and other concerns, this agreement will create a far more open, fair, and rules-based Chinese market, advance broader U.S. values of transparency and the rule of law; and serve our long-term strategic interest by anchoring China more firmly, both in the Asia-Pacific and world economies.”